

Old West Investment Management, LLC

Q1 2026 Manager Commentary Old West All Cap Opportunity

12/31/2025 – 03/31/2026

PORTFOLIO PERFORMANCE

For Q1 2026, Old West All Cap Opportunity returned +16.01% (net).

Old West All Cap Opportunity (12/01/2008 inception through 03/31/2026)

	Year-To-Date	1-Year	3-Year Annualized	5-Year Annualized	10-Year Annualized	Annualized Inception
Gross	16.18%	80.30%	26.99%	16.96%	19.38%	16.55%
Net	16.01%	79.17%	26.01%	15.96%	18.31%	15.46%
R3000 Value	2.23%	16.37%	14.26%	9.19%	10.52%	11.49%

Q1 2026 PERFORMANCE HIGHLIGHTS

Q1 2026 Contributors	Q1 2026 Detractors
<ul style="list-style-type: none">Canadian Natural Resources (CNQ)Tidewater Inc. (TDW)Suncor Energy Inc. (SU)	<ul style="list-style-type: none">Bruker Biosciences Corp. (BRKR)SS&C Technologies Hldgs (SSNC)Trilogy Metals Inc. (TMQ)

Top Contributors:

- Canadian Natural Resources Limited (CNQ):** Canadian Natural Resources is the largest oil and the second-largest natural gas producer in Canada.¹ Their asset mix spans natural gas, light crude, heavy crude, bitumen, and synthetic crude oil, a low-cost, long-life physical asset base producing the energy that the world (and increasingly, AI infrastructure) runs on.

¹ <https://www.morningstar.com/stocks/xnys/cnq/quote>

During Q1 2026, CNQ was driven higher mainly due to the increase in the price of oil. Brent started the year around \$61 a barrel and finished the quarter at \$118, the largest quarterly price increase on an inflation-adjusted basis in data going back to 1988.² The catalyst was military action in the Middle East on February 28th and the subsequent de facto closure of the Strait of Hormuz.³ On top of the macro, CNQ executed well. They completed a strategic acquisition in Q1 that lifted their full-year production outlook, and reported record production while beating profit estimates. They extended their dividend growth streak to 26 years, boosted the quarterly dividend, launched a new share buyback program, and tightened their free cash flow return policy,⁴ all of which signaled management confidence in the durability of the cash generation story.

- **Tidewater Inc. (TDW):** Tidewater has the largest fleet of offshore support vessels in the industry and is the oldest and most experienced provider of marine support services to the offshore oil and gas sector.⁵ Today over 90% of their fleet works internationally across more than 60 countries. Their core capabilities include towing and anchor handling for mobile offshore drilling units, transporting supplies and personnel, and support services critical to offshore exploration and production activities from initial exploration all the way through field abandonment and site restoration.⁶

In Q1 2026, TDW was driven higher mainly due to the increase in the price of oil. When oil surges to \$118 a barrel, every oil company in the world accelerates their offshore drilling and production activity, which means more demand for Tidewater's vessels, and more pricing power on day rates. On top of that, the company executed well. Their most recent earnings came in at \$4.41 per share against an estimate of just \$0.77, a 472% earnings surprise.⁷

- **Suncor Energy Inc. (SU):** Suncor is Canada's leading integrated energy company, with operations spanning oil sands mining and in situ production, upgrading offshore production, refining, marketing and trading, and the nationwide Petro-Canada retail and wholesale network.⁸

During Q1 2026, SU was driven higher mainly due to the increase in the price of oil. On top of the macro, Suncor management is focused on returning cash to shareholders rather than chasing volume growth, which is exactly the kind of capital

² <https://www.eia.gov/todayinenergy/detail.php?id=67424>

³ <https://www.eia.gov/todayinenergy/detail.php?id=67424>

⁴ <https://www.cnn.com/markets/stocks/CNQ>

⁵ <https://www.tdw.com/services-fleet/tidewater-marine/>

⁶ <https://www.noia.org/tidewater/>

⁷ <https://www.tradingview.com/symbols/NYSE-TDW/>

⁸ <https://www.stocktitan.net/sec-filings/SU/6-k-suncor-energy-inc-current-report-foreign-issuer-2a17a33ec697.html>

discipline the thesis rewards.⁹ Suncor committed to returning over CAD \$23 billion to shareholders through dividends and buybacks at \$65 WTI over the next three years.¹⁰ Annual share repurchases were increased by over 20% to a projected \$4 billion for 2026, with management targeting a reduction of outstanding shares by more than 25% between 2023 and 2028.¹¹

Top Detractors:

- **Bruker Biosciences Corp. (BRKR):** Bruker makes high-performance scientific instruments and analytical and diagnostic solutions that enable scientists to explore life and materials at molecular, cellular, and microscopic levels.¹² Their product portfolio spans magnetic resonance, mass spectrometry, X-ray, microscopy, molecular spectroscopy, and software solutions, serving life science, biopharma, applied research, microbiology, diagnostics, and nanotechnology.¹³

During Q1 2026, Bruker stock declined due to continued headwinds from US academic and government funding cuts, with bookings down in the high teens percentage for the full year, and management guided for a mid-single-digit organic revenue decline in Q1 2026 specifically due to this pressure.¹⁴

Old West's investment thesis is structured on the idea that AI will lead way to a period of scientific advancement comparable to the Renaissance or Industrial Revolution, and we believe that the companies that help bridge AI's intelligence with the physical world's measurable reality are positioned at the next frontier. Bruker's NMR spectrometers, mass spectrometers, and atomic force microscopes are the sensors that translate the physical world into data AI can work with.

- **SS&C Technologies Hldgs (SSNC):** SS&C is the world's largest hedge fund and private equity administrator, as well as the largest mutual fund transfer agency.¹⁵ They provide software and technology-enabled services to financial services and healthcare companies, covering securities accounting, front-office functions like trading and modeling, middle-office functions like portfolio management and reporting, and back-office functions like accounting, reconciliation, compliance, and tax reporting.¹⁶

⁹ <https://www.stocktitan.net/sec-filings/SU/6-k-suncor-energy-inc-current-report-foreign-issuer-3ac935b0f055.html>

¹⁰ <https://finance.yahoo.com/sectors/energy/articles/suncor-energy-investor-day-2028-050936954.html>

¹¹ <https://www.stocktitan.net/sec-filings/SU/6-k-suncor-energy-inc-current-report-foreign-issuer-3ac935b0f055.html>

¹² <https://www.bruker.com/en/about.html>

¹³ <https://www.bruker.com/en/about/our-business-groups.html>

¹⁴ <https://ca.finance.yahoo.com/news/bruker-corp-brkr-q4-2025-210654051.html>

¹⁵ <https://investor.ssctech.com/>

¹⁶ <https://finance.yahoo.com/quote/SSNC/>

In Q1 2026, although the business performed well, the stock was down mainly due to multiple compression. Analysts lowered price targets specifically citing software multiple compression, not deteriorating fundamentals.¹⁷

- **Trilogy Metals Inc. (TMQ):** Trilogy Metals is a metal exploration and development company. It holds a 50% interest in Ambler Metals LLC, which owns the Upper Kobuk Mineral Projects in northwestern Alaska's Ambler Mining District, one of the most prospective copper-dominant districts in the world.¹⁸

Trilogy Metals is part of our portfolio's large exposure to metals and mining where we see a combination of strong fundamental outlook and low valuation. Copper is the metal that connects everything in an electrified, AI-driven world, and it runs through every wire, every motor, every data center. The supply of many metals is insufficient to meet future demand, and prices are too low to give an incentive for new development. We believe prices must rise to levels that make development projects economical, and the companies that can deliver supply into that environment will benefit.

In Q1 2026, Trilogy's shares declined mainly as a result of a post-spike hangover from the October 2025 catalyst in which the U.S. government announced a \$35.6 million strategic investment for approximately a 10% equity stake in the company. A binding letter of intent with the U.S. Department of War was also amended to extend the transaction completion date to May 31, 2026.¹⁹

PORTFOLIO POSITIONING

Each quarter we walk through select portfolio holdings to bring our investment process to life. This quarter, we cover our positioning in metals and mining, our conviction in energy, particularly natural gas, and our expanding exposure to the critical industries powering the physical economy.

For the last several years we have held a sizable position in metals and mining stocks, at times over half of our portfolio. These positions were accumulated during a period when the sector attracted very little attention. The market was focused on cyclical demand weakness

¹⁷ <https://au.investing.com/news/stock-market-news/needham-lowers-ssc-technologies-stock-price-target-to-90-on-multiples-93CH-4382898>

¹⁸ <https://www.stocktitan.net/overview/TMQ/>

¹⁹ <https://www.stocktitan.net/sec-filings/TMQ/10-q-trilogy-metals-inc-quarterly-earnings-report-e52a764d76af.html>

and ignoring longer term structural supply issues. Last year and the beginning of this year saw the exact opposite. Mining stocks multiplied in value as investors came to terms with the inevitability of supply problems, with geopolitical uncertainty and an AI spending spree putting the spotlight on physical supply chains.

At the beginning of the year, we redeployed some of our gains into energy stocks. We saw oil below \$60 per barrel, companies at multi-year lows, and depressed valuations on top of depressed earnings. The narrative claimed that 2026 was going to see a surplus, weak demand meeting a wave a new supply. Looking further out we saw a tighter market. We thought a rebalancing might play out over the next year or two as the market gradually looked past 2026, estimates started to pick up and life returned to the sector.

When the Iran conflict broke out in late February, it compressed what might have otherwise taken eighteen months into a few weeks. The oil price doubled and many of our recently initiated positions increased dramatically. These positions had been built on valuations and supply constraints, not a geopolitical thesis. But sometimes luck is the residue of design, and the events of this quarter showed that the type of investments we make in physical supply chains and critical materials often benefit from volatility, instead of being harmed by it.

Mining stocks, which had been broadly popular two months earlier, sold off sharply on war fears and recession concerns, a reminder that even positions built on correct structural theses do not move in straight lines. The capital we had harvested from them was already at work in energy and other adjacent areas. We added quite a few new names in the quarter, and the overlap that occurs as we scale into new positions while scaling out of others has given us a more diversified portfolio. We are happy to navigate this volatile period with lower average weights across a larger surface area while we await the next opportunity the market may offer.

The largest gaps between price and value over the next decade may be found at the intersection of artificial intelligence and the physical economy. The rise of AI agents, machines that operate 24/7 and perform tasks in the physical world, creates a new source of demand and potential strain on physical infrastructure. AI cannot yet build its own pipelines, lay its own railroads, or synthesize its own chemicals. It runs on infrastructure that already exists. In prior technological revolutions, durable wealth accrued to the owners of the physical infrastructure the technology required. Our portfolio has broadened into these areas with that in mind, finding physical assets where sentiment is depressed, valuations reflect years of neglect, and structural demand is building underneath the surface.

One area which deserves mention is natural gas, which closed the quarter near seventeen-month lows. While we understand the reasons given for its current weakness, we still find it unusual. Electricity is in shortage. The largest technology companies in the world are committing hundreds of billions of dollars to build datacenters that require enormous amounts of power. Gas turbine manufacturers are sold out through the end of the decade, and some operators are scavenging jet engines from retired aircraft to satisfy their needs. We

are big believers in nuclear power and follow developments in nuclear fusion closely. Both technologies would be ideal ways to generate electricity in the future. But demand is today, and the primary fuel source for dispatchable generation is priced as though none of this is happening. We own natural gas producers and distributors and expect them to do very well in the coming years.

This is a time of rapid change. It appears the marginal cost of intelligence is heading toward zero. The marginal cost of the physical world is not. Nearly every event this quarter, the conflict, the supply disruptions, the commodity spikes, the scramble for physical resources, reinforced the same point. As AI grows more capable, the economy does not become less physical. It becomes more so. The owners of physical assets and infrastructure may find themselves in a position not unlike the owners of steel, oil, and rail in an earlier era. We believe we are in the early stages of that transition, and the portfolio is being built accordingly.

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